

**Employee Benefit Plan**  
**Minimum Participation Standards**  
**(Worksheet Number 1 - Determination of Qualification)**

**INSTRUCTIONS**—All items must be completed. A “Yes” answer generally indicates a favorable conclusion is warranted while a “No” answer generally indicates a problem exists. Please use the space on the worksheet to explain any “No” answer. Numbers in brackets refer to EDS paragraph numbers. See Document 6388, Explanation Number 1, for guidance in completing this form.

The technical principles in this worksheet may be changed by future regulations or guidelines.

Name of Plan

**I. Age and Service**

Plan Reference

Yes

No

N/A

a. Does the plan provide an age or service requirement (*including an entry date requirement*) for participation?

b. Does the plan meet the minimum age and service requirements of Internal Revenue Code section 410(a)(1) as amended by the Tax Reform Act of 1986. [140]

c. Will a new employee, otherwise eligible, participate on the earlier of the first day of the plan year after meeting the minimum age and service requirements of Code section 410(a)(1), or 6 months after satisfying the requirements? [104]

d. Is an employee's eligibility to participate determined without regard to the attainment of any maximum age? (*See Document 6388, Explanation Number 1, regarding the effective date of this requirement.*) [105, 106]

**II. Years of Service**

(*Complete only if years of service and breaks in service are based on hours of service.*)

a. Does the plan designate an “eligibility computation period”? [111]

b. Is an employee required to complete no more than H hours of service during the “eligibility computation period” to be credited with a year of service? [112]

c. Does the plan credit hours of service in accordance with Department of Labor (DOL) Regulations? [113]

d. If the plan credits hours of service for periods of time during which no duties are performed, does the plan incorporate, in its own words or by reference, the rules for determining and crediting those hours? [114]

e. Is the initial eligibility computation period used to determine if the participant has a year of service for eligibility purposes defined as the 12-consecutive-month period, figured with reference to the employee's employment commencement date? [115]

f. If the plan uses the plan year as the computation period to measure years of service for purposes of eligibility after the first computation period, does the first computation period include the first anniversary of the employment commencement date? [116]

g. Is a “break in service” defined as an eligibility computation period when the employee is not credited with more than B hours? [117]

h. Is the eligibility computation period for determining a break in service the same as is used to figure a year of service for eligibility? [118]

II. Years of Service—Cont'd	Plan Reference	Yes	No	N/A
i. Does the plan credit hours of service to the appropriate computation period to avoid a break in service for employees on maternity or paternity leave? [119]				
j. When an employee has a vested benefit, does the employee participate immediately on returning to work after a break in service? [120]				
k. When an employee who has satisfied the minimum service requirement and who has no vested benefit has a break in service, and the number of consecutive breaks in service is less than the greater of 5 or the number of years in which the employee attained a year of service, does the employee participate immediately upon returning to work? [121]				
<b>III. Years of Service and Breaks in Serviced Based on Elapsed Time</b>				
<i>(Complete only if years of service and breaks in service are based on elapsed time.)</i>				
a. Does the plan credit an employee with a period of service, beginning no later than the employment commencement date and ending no sooner than the severance from service date? [131]				
b. Does the plan determine an employee's total period of service by aggregating all individual periods, unless the periods of service may be disregarded under the rule of parity? [132]				
c. In determining an employee's period of service, does the plan take into account the service spanning rules? [133]				
d. If a plan contains a service requirement for initial eligibility to participate, does an employee satisfy this service requirement as of the date the employee completes a period of service equal to the period required? [134]				
e. Is a 1-year period of severance defined as a 12-consecutive-month period beginning on the severance from service date and during which the employee does not perform an hour of service for the employer? [135]				
f. Is the first period of severance ignored to the extent that such period is attributable to maternity or paternity leave? [141]				
g. When an employee has a vested benefit, does the employee participate immediately on returning to work after a 1-year period of severance? [137]				
h. When an employee who has no vested benefit has a 1-year period of severance, and the period of severance is less than the greater of 5 years or the prior period of service, does the employee participate immediately on returning to work? [138]				

**Comments**